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Statement
Of
Anthem Blue Cross and Blue Shield
On

H.B. No. 6349 (Raised) An Act Concerning The Sales Tax On Services.

Good afternoon Senator Daily, Representative Staples and members of the Finance, Revenue and Bonding Committee, my name is Christine Cappiello and I am the Director of Government Relations for Anthem Blue Cross and Blue Shield in Connecticut. I am here to speak on **H.B. No. 6349 (RAISED) AN ACT CONCERNING THE SALES TAX ON SERVICES.**

We are unclear of the intent of this legislation. It appears that with the companion bill, **H.B. No. 6350 (RAISED) AN ACT ELIMINATING EXEMPTIONS FROM THE SALES AND USE TAX AND LOWERING THE RATE OF SUCH TAX,** which eliminates any taxes that are not subject to the 6% sales tax, that insurance transactions will now be subject to 6% sales tax which they are not currently. While "insurance transactions" is not clearly defined, we assume it means when an insurance policy is purchased, do, in most instances, already pay a 1.75% premium tax on the value of the premiums to be collected. This means that for many people struggling to keep their health insurance, individuals like small and large employers, senior citizens and young newly employed individuals; they will be paying a substantial amount more than they are currently paying because they will be required to pay the 6% sales tax in addition to the 1.75% premium tax. This additional tax burden will undoubtedly find individuals, either purchasing health insurance for themselves or for their employees, in the difficult position of dropping coverage all together because they simply can no longer afford it.

We hope that the committee will consider these dire ramifications and not make insurance transactions subject to the sales tax.

Thank you for the opportunity to speak on this bill and I welcome any questions you may have.